

## **STATEMENT OF PURPOSE**

### **RS18361**

In 1935 the enactment of, I.C. , Chapter 13, Title 22 provided definitions, classifications and licensing procedures relating to dealers in farm produce. The intent was to authenticate and validate those who bought and resold produce and thereby offer some assurance to producers. Later, some commodities were excluded from the act. Other acts established indemnity funds for the excluded commodities and made the distinction based on commodities that are warehoused.

Requirements were placed upon the Director of Agriculture to serve as referee. Power of subpoena and other enforcement authority was also given to investigate claims yet no industry funding source, other than a minimal license fee, was ever established. With the evolution of the indemnity funds there is an implicit expectation of this statute that was never intended. Significant liability to the state and associated cost of investigations is eminent without major changes to the act. The commodity interests remaining with potential application under the act have varied and diverse needs relative to market protection. Those diverse needs make consensus on such changes impossible.

The state is put in the position of being a price bargaining chip between purchasers, producers and dealers. Indemnity funds and associated enforcement actions are generally funded by the protected commodity. This legislation repeals this ineffectual act and clears the way for affected commodity groups to evaluate their government protection needs in the light of the free market system and define the program best suited and funded for their industry.

### **FISCAL NOTE**

There is no negative fiscal impact to the state general fund or local units of government.

**Contact:**

**Name:** Senator Tim Corder

**Office:**

**Phone:** (208) 332-1331